

HIGH BAR HARBOR YACHT CLUB CONDOMINIUM ASSOCIATION, INC.
MINUTES OF BOARD OF TRUSTEES MEETING
Saturday, November 18, 2006

The meeting was held in the Clubhouse via teleconference and started at 9:10AM.

Trustees Present: Rich Ericsson, Jay Keough, Ed Meline and Mark Miller (had to leave at 11AM and called in to participate by phone until adjournment)

Participating via telephone: Hugh Gray (from Florida)

It was agreed that Ed would prepare Minutes and send to all other Trustees, who will make any corrections, as appropriate, prior to publishing the Minutes on the HBHYC.com Website and sending them via Email to all Owners who have provided such addresses.

This was the first in-person Meeting of the Board since the Referendum Election. It was difficult to estimate the time it would take for certain Agenda discussions, but the Board had targeted the following:

I. Planned Agenda

- A. Review of Action Items from previous Minutes
- B. Determination of Officers
- C. Discussion of Committee Members
- D. Final approval of Motions already Pending
- E. Discussion of FLSA and OT issue+
- F. Address Request from Staff for Change in Staff Hours
- G. Discuss/Vote on Motion to Implement Use of a Time Clock in the Office ASAP
- H. Discuss/vote on Motion to Adopt Job Descriptions and Personnel Manual
- I. 11 AM Staff Meeting/Approval of Projects, as Required
- J. Approval of 2007 Budget-Address Pump-out Fee
- K. Develop Strategy for Resolving Electric Meter Problem
- L. Post Adjournment, a luncheon Meeting with prior Trustees Alloway, Drago and Rapp.

II. Review of Action Items from previous Minutes-an updated listing is prepared at an appropriate time-frame after the Minutes of Teleconferences and in-person Meetings are published to ensure that all Action Items contained in any Board Minutes are, in fact, implemented or in the process of implementation. This listing will be reviewed at the beginning of each in-person Meeting to ensure that time-sensitive Action Items are being addressed. The listing is sent via Email to all Trustees on a recurring basis as a reminder/"punch list" for each Trustee regarding the Action Item (s) for which a specific Trustee may be responsible. This will help ensure that Actions Items are executed.

III. Determination of Officers-each of the following Officers were elected by unanimous votes:

President-Hugh Gray
Vice President-Rich Ericsson
Treasurer-Ed Meline
Secretary-Mark Miller

IV. Discussion of Committees Members-in each instance the Trustee on a particular Committee will be the Chairman or Co-Chair of the respective Committee.

Communications-Mark Miller
Finance-Ed Meline and Hugh Gray
Maintenance, Buildings and Grounds-Rich Ericsson and Mark Miller
Maintenance, Docks and Bulkheads-Jay Keough
Personnel-Ed Meline
Social-Jay Keough

The respective Trustee on each Committee will contact each current Member of the Committees and confirm the Committee Members and Co-Chairs, if applicable, at the next Board Meeting.

It is noted that the Social Committee is new. Any Owners interested in serving on this Committee should send an Email to Jay via the hbhyc.com Website by going to “contact us”.

V. Final Approval of Motions Already Pending- since the Teleconference on 11/13/06, the following MOTIONS were MADE subject to final approval on 11/18/06.

**A. MOTION MADE to approve the Minutes of the Teleconference of 11/13/06.
The MOTION PASSED unanimously**

Said Minutes were forwarded to Monica for Emailing to all Owners and to Alex Miller and for posting on the hbhyc.com Website.

B. MOTION MADE to make a portion of each in-person Board Meeting open to all Owners.

This MOTION was discussed via Email throughout the past week. The objective is to further address increased transparency and provide a meaningful process for Owners to have an opportunity to interact with the Board .

The MOTION PASSED unanimously.

The dates of all in-person Board Meetings and the time-frame for Owner participation will be announced in advance via Email and on the hbhyc.com Website. **Owners are again requested to provide Email addresses in order that the Office can send you appropriate Emails.** Emails will be sent via “bcc”, so that no Email addresses will be shown. The list will be kept in a locked cabinet in the Office. Email will be used for many notices throughout the year and all Owners are urged to provide their Email addresses.

The Board continues to address new and improved methods to address the Owners’ many requests for increased transparency. In an effort to eliminate the possibility of an Owner’s concern not being addressed properly, the Board urges all Owners to limit discussions of Board-type issues with the Trustees to the following venues.

1. The Board Meetings during which there will be an open discussion period as part of the Agenda for any Owner to present concerns or participate in relevant discussions of mutual concern.
2. Emails to the Board via the use of the hbhyc.com website.
3. The suggestion box located at the Clubhouse.

It is hoped that all Owners understand that the Board wants to address any issues of concern from any Owner in an organized and meaningful manner, as noted above. The Trustees also want to be able to enjoy the Marina to the greatest extent possible and this would entail not getting involved with Board issues outside of the above listed venues. Needless to say, if there is an overriding issue that an Owner feels must be addressed on an emergency basis, the Trustees and the Staff will always be available to discuss the situation.

C. MOTION MADE to utilize Email to make, second, discuss and vote on Motions. If any Motion voted upon in this manner is not approved or rejected by unanimous vote of all the Trustees, said Motion will be subject to re-discussion and a final vote at the subsequent Board Meeting, either by Teleconference or in-person, as long as a Quorum is present.

This MOTION was discussed via Email throughout the past week. The objective is to utilize Email for Motions, when appropriate, to expedite the decision-making process in order that Meetings can be as productive as possible. It was felt that there are many instances whereby discussions via Email can be advantageous in making decisions, especially with regard to the simpler, “low-hanging fruit” type issues.

The MOTION PASSED unanimously.

VI. Discussion of Fair Labor Standards Act (FLSA) and Overtime (OT) Issue-Pete has had a request to the Board for several months regarding the Staff’s concerns as to whether the Association is subject to the FLSA. The concerns focused primarily on eligibility for OT pay and the classification of Pete’s and Greg’s jobs relative to exempt or non-exempt status as it relates to OT. The Board discussed the issues and concluded that, currently, we do not know enough about the intricacies of the lengthy FLSA and how NJ laws may impact OT. Since the key issue appears to be how we handle OT, a

MOTION was MADE for the Board to develop a Policy to specifically address Overtime

This MOTION was seconded, discussed and **PASSED** unanimously. A follow-up

MOTION was MADE for the Board to begin the process today to review past work-time records as of 11/18/06 in an effort to determine if any pay is due Staff for past OT that may have been recorded, but not paid.

This MOTION was seconded, discussed and **PASSED** unanimously.

Monica was requested to bring the Board any payroll records she had in her files that were utilized to pay Staff through Paychex (the Association’s payroll company). She had some of the information on her desk calendar in the Office and transcribed it onto papers which she gave to the Board prior to Adjournment. She indicated that there were no records kept for Pete, since she was told that his employment arrangements were made with the Board and that his paychecks were always processed as a fixed salary for his paycheck every other week.

The Board will review the payroll documents and determine an appropriate course of action.

VII. Discuss/Vote on Motion to implement a Time Clock

VIII. Discuss/Vote on Motion to adopt Job Descriptions and Personnel Policies and Procedures Manual.

The Board was unable to address either of these MOTIONS due to the Staff arriving at 11AM as previously planned. It is intended that these be addressed via Email and/or a Teleconference Meeting.

IX. 11 AM Staff Meeting/Intended Agenda-Approval of Projects

It was intended that the major objective of this meeting with the Staff would be to discuss the critical projects that Pete had previously referenced in a letter to the Board, many of which have a need for immediate action prior to the onset of the winter season. Pete had been requested to bring to the Meeting a detailed Report of "To Do/Completed Projects for the week of 11/13/06 as a proto-type Management tool and a "to Do" list for the week of 11/18/06. In addition, he was asked to provide a complete list/status of the Projects that he felt should be planned for the off-season. However, the Meeting took a different direction.

A. Pete, Monica and Greg arrived at 11AM.-They were updated on the election of the Officers and the Committee structures, as noted previously, in order to inform them as to how the Board had organized itself and how the Trustees would interface with the respective Staff person.

Pete was asked how he wanted to proceed with the Agenda. Pete indicated that he wanted to discuss what the actions of the Board were going to be relative to the concerns of the Staff regarding the tape that had been given to the Board.

Background Summary (not recorded in previous Minutes).

Prior to our last board meeting Pete notified Rich Ericsson that he was in the possession of a Tape recording that was made of the personnel committee meeting held in the club house. Pete stated that he had found a tape recorder on 5/13/06 containing a recording of the first Meeting of the Personnel Committee (Kathy Ahearn, Pat English, Dave Hall, Ed Meline and Mark Miller) on that day. Pete advised that he had listened to the tape and had played it for Greg and Monica and that they were all very upset by the comments made by Members of the Committee in the Meeting.

After his verbal report of the Tape's content, (reportedly the Tape was not heard by any of the Board Trustees), a quorum of the Board (Trustees Alloway, Drago and Rapp) voted on 7/1/06 to disband the Personnel Committee (and three (3) others). Minutes of the Board Meeting on 7/1/06 did not indicate the tape as being a factor in the disbandment nor was the Personnel Committee made aware of the existence of a Tape.

It is noted that it has been determined the recorder does not belong to any of the Committee Members and no Member was aware that the Meeting was being taped. The recorder has not been claimed despite posting of it being available in the Marina's Lost and Found. The existence of the Tape recording is considered suspicious and the taping and playback for Staff inappropriate, at the least. In addition Pete has indicated that he has duplicated and digitized the Tape onto CDs.

Although sensitive personnel issues were discussed, it was fully agreed at the outset and several times during the Personnel Committee's meeting that the discussion was to be kept totally confidential and that such a candid discussion was needed to confirm or negate previous perceptions. The Committee felt it required the discussion to achieve its assigned objective from the Board, specifically to develop recommendations for Job Descriptions and a Personnel Policy and Procedures Manual for future implementation. The Personnel Committee will consider its own thoughts and reactions to the taping separately.

Note: the words contained in the following may not be the exact words used at the Meeting unless they are in quotations; however, the content herein very much reflects the (approximate) 2 hour discussion between the Board and the Staff.

B. Board Meeting of 11/18/06

1. During the discussion that ensued, it was noted by the Staff that they had not heard any “upsetting” remarks about Monica. The primary “upsetting remarks referenced Greg and to some degree Pete. None of the Staff would advise the Board of the specific remarks made citing the fact that the content was too “upsetting” to them, especially with regard to Greg.
2. Pete indicated very strongly that he wanted to know exactly what actions the Board was going to take. He wanted an answer immediately.
3. Pete stated that:
 - a. he wanted “all the Personnel Committee members removed from the Committee”, commenting that they were “unprofessional pigs”
 - b. “most of the content on the tape was by Pat English, Ed Meline and Mark Miller”
 - c. he had “transferred it digitally to clarify it on his computer”
 - d. “it had not been played for anyone else yet”
 - e. “there are a lot of illegal things going on here.” He explained that he was referring to certain Rules and By-Laws that were not being followed.”
 - f. “this Board’s nervous, because the game’s over.”
 - g. “The Tape was heard on 4/11-12” (it was actually 5/13/06) “and the Staff is still extremely upset”
 - h. “there was no way he could work for this Board” When asked if he was resigning, he responded “no”. He just “wanted Ed and Mark off the Board.”
 - i. Toward the end of Pete’s comments, he was again asked what he wanted. He pointed his finger at Ed and said “I want to see you go up in flames”
 - j. He said to Mark, who at the time was on his cell phone, “if I ever hear you say anything about me again, I will “Smack the Bitch out of you” (note: both of these quotes are very close to the words Pete used, but may not be exact, since it was very difficult to take notes and keep up with the pace of the comments)
 - k. When Pete realized that neither Ed nor Mark were going to resign or be voted off the Board, he changed to the subject of the FLSA.
4. He wanted to know what we were going to do about his questions concerning the FLSA and OT. It was explained that we were going to look into the FLSA in more depth, since we still did not know if the Association was subject to it and that we had passed a MOTION to review the payroll records for the consideration of Overtime, as appropriate.
5. Pete got very angry, stood up and said he was giving us two (2) weeks notice of his resignation. He threw some papers on the table and left the room. Moments later, he returned, dropped his keys on the table and left again.
6. A Trustee spoke with Pete upon his departure. Pete stated “I got my life back” and added some derogatory comments about another member of the Personnel Committee.
7. Monica and Greg then left, with Monica asking the Board to “consider giving Pete a cool-down period for him to withdraw his resignation.”

X. The Board took the following actions after Pete had resigned.

A. MOTION MADE to accept Pete's resignation.

The MOTION was seconded, discussed and **PASSED** unanimously.

B. MOTION MADE that no action be taken with regard to the Tape until the Personnel Committee had an opportunity to discuss and provide input regarding this situation.

The MOTION was seconded, discussed and **PASSED** unanimously.

It was agreed that the Board would not listen to the Tape, which was left with Rich.

Mark took the CD and will listen to it.

C. MOTION MADE that Greg be requested to be responsible for Pete's duties until further notice, including the primary supervision of Fermin and Raul and that Monica be advised that she would report directly to the Treasurer.

The MOTION was seconded, discussed and **PASSED** unanimously.

The Meeting Adjourned at 1:40 PM.

NOTE: After Adjournment, Greg indicated that he was willing and able to pick up the added responsibilities.

It is also noted that the Board did not receive a response from prior Trustees Alloway or Rapp regarding the invitation to join the Board for a luncheon Meeting. Mike Drago sent an Email indicating that he could not attend.